IVRCL LIMITED

Regd. Office : M-22/3RT, Vijaya Nagar Colony, Hyderabad-500 057

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CIN: L45201AP1987PLC007959

Statement of Unaudited Standalone Financial Results for the Quarter and Six Months Ended September 30, 2018

(₹ in lakhs except share data)

Sl. No.	Particulars (Refer Notes below)	Quarter Ended			Six Months Ended		Year Ended
		Sep 30, 2018	June 30,2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017	March 31, 2018
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I.	Revenue from operations	23,402.73	20308.72	40421.83	43,711.45	92,236.65	1,41,346.69
II.	Other income	1,133.10	265.68	733.63	1,398.78	1,185.71	8,653.65
III.	**Total income (I+II)**	**24,535.83**	**20,574.40**	**41,155.46**	**45,110.23**	**93,422.36**	**1,50,000.34**
IV.	**EXPENSES**						
	a) Cost of construction materials consumed	990.50	2926.43	5524.06	3,916.93	12,872.17	22,238.40
	b) Sub-contracting expense	15,142.90	11928.91	24191.28	27,071.81	53,797.13	96,288.27
	c) Masonry, labour and other construction expense	5,956.76	6138.52	10054.28	12,095.28	22,402.65	47,237.29
	d) Employee benefits expense	1,589.80	2204.5	2788.07	3,794.30	5,800.98	10,126.13
	e) Finance costs	32,432.47	28228.02	18957.05	60,660.49	37,021.61	1,01,385.40
	f) Depreciation and amortisation expense	1,273.68	1383.15	1659.14	2,656.83	3,338.73	6,464.05
	g) Other expenses	1,626.39	2165.42	6107.08	3,791.81	10,702.92	18,251.47
	Total expenses (IV)	**59,012.50**	**54,974.95**	**69,280.96**	**1,13,987.45**	**1,45,936.19**	**3,01,991.01**
V.	**Profit/(Loss) before exceptional items and tax (III-IV)**	**(34,476.67)**	**(34,400.55)**	**(28,125.50)**	**(68,877.22)**	**(52,513.83)**	**(1,51,990.67)**
VI.	Exceptional items	9,790.01	-	-	9,790.01	-	47,539.52
VII.	**Profit/ (Loss) before tax**	**(44,266.68)**	**(34,400.55)**	**(28,125.50)**	**(78,667.23)**	**(52,513.83)**	**(1,99,530.19)**
VIII.	**Tax expense:**						
	a) Current Tax	-	-	-	-	-	-
	b) Deferred Tax	(37.21)	(37.21)	102.22	(74.42)	204.45	408.91
IX.	**Profit / (Loss) for the period from continuing operation (VII-VIII)**	**(44,303.89)**	**(34,437.76)**	**(28,023.28)**	**(78,741.65)**	**(52,309.38)**	**(1,99,121.28)**
X.	**Other Comprehensive Income**						
	a) Items that will not be reclassified to Profit or Loss						
	i) Remeasurements of the defined benefit Plans	177.48	(5.04)	(70.15)	172.44	(140.30)	(20.14)
	ii) Income Tax effect on above	(61.42)	1.74	24.28	(59.68)	48.56	6.97
	b) Item that may be reclassified to profit or loss						
	i) Exchange differences on translation of a foreign currency	-	-	10.40	-	5.93	25.15
	ii) Income Tax effect on above	-	-	-	-	-	-
	Total Comprehensive Income / (Loss) for the period (Total X)	**116.06**	**(3.30)**	**(35.47)**	**112.76**	**(85.81)**	**11.98**
XI	**Total comprehensive income for the period** (comprising profit /(loss) and Other Comprehensive Income for the period) (IX+X)	**(44,187.83)**	**(34,441.06)**	**(28,058.75)**	**(78,628.89)**	**(52,395.19)**	**(1,99,109.30)**
XII	**Paid up equity share capital (Face value of Rs. 2 each)**	**15,657.95**	**15,657.95**	**15,657.95**	**15,657.95**	**15,657.95**	**15,657.95**
XIII	**Other equity (As per last Audited financial statements)**	-	-	-	-	-	**(1,76,064.64)**
XIV	Earnings per equity share (of Rs. 2 each) (not annualised for quarterly results)						
	EPS (in Rs.)						
	Basic & Diluted	(5.64)	(4.40)	(3.58)	(10.04)	(6.68)	(25.43)
	(See Accompanying notes (1 - 8)						

Chartered Accountants * CHATURVEDI & CO. * NEW DELHI

IVRCL LIMITED * HYDERABAD *

Statement of Assets and Liabilities

(₹ in Lakhs)

	Particulars		As at September 30, 2018		Standalone As at March 31, 2018
I.	**ASSETS**				
1.	**Non-Current Assets**				
	(a) Property, Plant and Equipment		18,383.57		21,017.57
	(b) Investment Properties		2,439.26		2,461.91
	(c) Financial Asset				
	(i) Investments	1,83,194.12		1,83,194.12	
	(ii) Trade Receivable	37,721.36		29,435.15	
	(iii) Loans	5,591.08		5,376.04	
	(iv) Others	95,046.62		92,962.21	
	(d) Deferred Tax Asset (net)	97,516.31		97,650.41	
	(e) Non-current Tax assets (Net)	10,354.12		9,448.76	
	(f) Other Non - Current Assets	15,231.26		15,231.26	
			4,44,654.87		4,33,297.94
			4,65,477.70		**4,56,777.42**
2.	**Current Assets**				
	(a) Inventories		5,544.10		6,667.49
	(b) Financial Asset				
	(i) Investments	-		-	
	(ii) Trade Receivables	1,09,173.06		1,19,258.04	
	(iii) Cash and cash equivalent	9,621.63		15,723.04	
	(iv) Bank balances (other than iii above)	2,572.54		2,568.99	
	(v) Loans	55,757.30		55,757.30	
	(vi) Others	22,822.16	1,99,946.69	21,958.39	2,15,265.77
	(c) Other Current Assets		1,56,979.96		1,60,867.53
	TOTAL ASSETS		**8,27,948.45**		**8,39,578.21**
II	**Equity and Liabilities**				
1.	**Equity**				
	(a) Equity Share Capital	15,657.95		15,657.95	
	(b) Other Equity	(2,54,725.43)		(1,76,064.64)	
	Total Equity		(2,39,067.48)		(1,60,406.69)
2.	**Liabilities**				
	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	-		-	
	(b) Provisions	449.36		539.12	
			449.36		539.12
3.	**Current Liabilities**				
	(a) Financial Liabilities				
	(i) Short-Term Borrowings	6,61,437.27		6,21,789.48	
	(ii) Trade Payables				
	a) Total Outstanding due to Micro Enterprises and Small Enterprises	280.00		280.00	
	b) Total Outstanding due of Creditors other than Micro enterprises and Small enterprises	1,28,589.98		1,29,061.51	
	(iii) Other financial Liabilities	2,05,229.58		1,72,790.68	
			9,95,536.83		9,23,921.67
	(b) Other Current Liabilities		57,113.61		61,506.82
	(c) Provisions		13,916.13		14,017.29
	Total Equity and Liability		**8,27,948.45**		**8,39,578.21**

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IVRCL LIMITED * HYDERABAD

Notes:

1	As more fully in note 2 below, as per Regulation 33(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the standalone financial results of a company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the standalone financial results. In view of the on going CIRP, powers of the Board of Directors have been suspended and these powers are, in terms of the code, now vested with Mr. Sutanu Sinha, as Interim Resolution Professional (IRP) /Resolution Professional to carry out the functions of the Company in his capacity as the IRP/RP from February 23, 2018 and April 03,2018 respectively. Accordingly, financial results of the Company for the quarter and six months ended September 30, 2018 were taken on record and authorized for issue to concerned authorities by Resolution Professional (RP) on November 14, 2018.
2	The Lenders of the Company had in earlier year approved a Corporate Debt Restructuring Scheme (CDR) with certain reliefs in relation to repayment timelines of loans and accumulated unpaid interest with certain conditions w.e.f. June 30, 2014. The efforts to raise additional funds, however, could not materialise and in the earlier year, the Joint Lenders have decided to adopt Strategic Debt Restructuring (SDR) in their meeting held on November 26, 2015, involving conversion of part of their debt into equity share capital to facilitate majority shareholding (i.e. more than 51%) by the Joint Lenders Forum (JLF). During the previous year, the stipulated time line has ended on May 25, 2017 and no investor has come forward with a binding offer to acquire the lenders stake. The Company has been treated as a case of failed CDR and SDR and lenders have exercised rights available to them on such failure of CDR/SDR including withdrawal/ reversal of waivers/relief earlier granted to them w.e.f. November 30, 2013. During the previous year, a lender has filed a petition against the Company for initiation of CIRP that has been admitted by the Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") vide its order dated February 23, 2018 declaring moratorium inter-alia against any recovery proceedings/wind up proceedings against the Company. The order of moratorium shall have effect from February 23, 2018 in accordance with section 14 (1) of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Further, pursuant to the order of NCLT, a public announcement of CIRP was made on March 03, 2018 and a Committee of Creditors (COC) was formed pursuant to the provisions of the Code and COC held their first meeting on March 29, 2018 and inter-alia confirmed Interim Resolution Professional as Resolution professional (RP) for the Company.
3	The operations of the Company consists of construction/project activities and there are no other reportable segment under Ind AS 108, " Operating Segments".
4	The Statutory Auditors have expressed modified opinion in their report for the previous year ended March 31, 2018 and review report for the quarter and six months ended on September 30, 2018 in respect of the following:
a)	During the quarter the Company has incurred a Net Loss of ₹ 44,187.83 lakhs resulting into accumulated losses of ₹ 4,96,253.21 lakhs and erosion of its Net worth as at September 30, 2018. The Company has obligations towards fund based borrowings (including interest) aggregating to ₹ 8,48,025.87 lakhs as per books of accounts and non-fund based exposure, operational creditors and statutory dues, subject to reconciliation/verification as stated in note 4(f) below, that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Corporate Insolvency Resolution Process (CIRP), obligations pertaining to operations including unpaid creditors and statutory dues as at September 30, 2018.The Company's ability to continue as going concern is depend upon many factors including continued support from the financial creditors, operational creditors and submission of viable revival plan by the prospective investor/bidder. In the opinion of the management, in view of ongoing CIRP the above results have been prepared on the basis that the Company is Going Concern.
b)	The Company had recognition of deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences aggregating to ₹ 95,705.88 lakhs. Based on unexecuted orders on hand, the Management of the Company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised.
c)	The Company has certain trade receivables, unbilled revenue, security deposit, withheld, claims of indirect taxes and other deposits including bank guarantees encashed by customers aggregating to ₹ 2,16,439.21 Lakhs which are subject matters of various disputes /arbitration proceedings/ negotiations with the customers and contractors due to termination / fore closure of contracts and other disputes. The management of Company is confident of positive outcome of litigation/ resolution of dispute and recovering the aforesaid dues. Performance Bank Guarantee invoked during the CIRP period amounting to ₹ 9,790.01 Lakhs have been provided for in the profit and loss account under the head "Exceptional Item". However, the management is in the process of inciating arbitration/other legal action for such invocations.
d)	The Company has an investment of ₹ 1,20,632.88 lakhs in subsidiaries engaged in BOT and other projects as at September 30, 2018, which are under disputes with the concessionaire, and other subsidiaries that have significant accumulated losses as at March 31, 2018. The management of the Company is at various stages of negotiation/communication/arbitration with respective contractee/clients of such subsidiaries engaged in BOT and other projects to recover the dues and cost incurred by the Company and taking necessary steps to turnaround the loss making subsidiary Companies. Considering the long term nature of investments and in view of ongoing discussion, no provision has been considered necessary by the management in respect of impairment in the value of investment.
e)	The Company has outstanding loans and advances of ₹ 71,408.76 lakhs as at September 30, 2018 given to subsidiary companies, associate, net receivable against development rights, various sub-contractors, vendors and other parties that are outstanding for long period. The management of the Company is at various stages of negotiation/communication/arbitration with respective contractee/clients/ sub-contractors/vendors to recover the dues and cost incurred by the Company and taking necessary steps to turnaround the loss making subsidiary Companies. Accordingly, no provision has been considered necessary by the management in respect of impairment in the value of loans and advances.
f)	Pursuant to the commencement of Corporate Insolvency Resolution process of the company (CIRP) under Insolvency Bankruptcy Code 2016 (IBC), there are various claims submitted by the operational creditors, the financial creditors, employees, statutory authorities and other creditors against the Company including the claims on Company's subsidiaries. Some of these claims are under further verification/validation and the same may be updated as per any additional information which may be received in future.
g)	Confirmation of balances could not be obtained as at March 31, 2018 for banks balances aggregating to ₹ 248.43 lakhs, bank borrowings and for various trade receivables, trade payables, though, the management has requested for the confirmation of balances and the status is still continued. The Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
h)	Physical verification for fixed assets aggregating to ₹ 1,691.23 lakhs (WDV as on March 31, 2018) and inventory aggregating to ₹ 412.27 lakhs could not be carried out at certain locations including project site that are terminated/ foreclosed/ having slow progress and the status is still continued. The Management believe that no item of fixed assets and inventory has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the fixed assets and inventories. Accordingly, no provision is required in respect of such fixed assets and inventories.
I)	The company has various input credits and balances with various statutory authorities pertaining to service tax, VAT, sales tax etc. aggregating to ₹16,853.37 Lakhs as at September 30, 2018. The recovery of these amounts is subject to reconciliation, filing of returns and admission by respective statutory authorities and the status is still continued. No adjustments has been made in the books of accounts in respect of such amounts.





5	The Statutory Auditors have included an Emphasis of matter in their report for the previous year ended March 31, 2018 and review report for the quarter and six months ended on September 30, 2018 in respect of the following:
a)	During the previous year, the company has received a Show Cause Notice U/s 279 (1) of the IT Act 1961 for initiation of prosecution proceedings U/s 276 (B) of the IT Act 1961 for failure to deposit the deducted Tax at Source within due date in Central Government Account for financial year 2016-17 & 2017-18 for the amount of ₹ 1,033.95 Lakhs and ₹ 1,891.21 Lakhs respectively. In respect of the above, IT department has also sent notices U/s 226 (3) of the IT Act 1961 to certain banks and customers of the company demanding the recovery of aforesaid arrears. The Resolution Professional has communicated to the IT department about the ongoing CIRP and requested the IT department to withdraw the aforesaid notice and not to proceed with any further actions against the company in this regard. Subsequently, application under Section 60(5) of the Insolvency and Bankruptcy Code 2016 has been filed with the National Company Law Tribunal, Hyderabad to seek necessary orders in this regard and matter is pending for decision.
b)	During the previous year , the company has received order of the Regional Provident Fund Commissioner in the matter of levy of damages pertaining to the earlier years U/s 14 B of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 aggregating to ₹ 4.08 Lakhs for the period from 10/1999 to 02/2009 and ₹ 608.55 Lakhs for the period from 07/2009 to 03/2015. In respect of the above, The Employees' Provident Fund Organisation has also sent notice u/s 8 F of the Employees' Provident Fund and Miscellaneous Provisions of the Act, 1952 to a Bank demanding the recovery of ₹ 912.19 Lakhs (including interest of ₹ 299.56 Lakhs). The company has filed an appeal U/s 7-I of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 with Employees' Provident Fund Appellate Tribunal, Bangalore Bench regarding the damages amounting to ₹ 612.63 Lakhs and the matter is presently sub-juice.
6	Other expenses for the quarter and six months ended on September 30, 2018 includes provision for doubtful trade receivables aggregating to ₹ 803.57 lakhs and ₹ 2,128.40 Lakhs respectively and during the previous quarter masonry, labour and other construction expenses has been adjusted with GST input tax credit of ₹ 566.05 lakhs pertaining to the previous year.
7	During the previous quarter, on review of the project status, excess unbilled revenue of ₹ 1800.80 Lakhs has been adjusted with the revenue from operations.
8	The Resolution Professional is signing this financial statements on the basis of representation by the key management personal of the Company regarding authenticity or veracity of the information provided herein.

Place: Hyderabad
Date: November 14, 2018

Sutanu Sinha
Resolution Professional
IBBI/IPA-003/IP-N00020/2017-18/10167





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Independent Auditor's Report on Quarter and Six months Standalone Financial Results of IVRCL Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Resolution Professional of IVRCL Limited

1. The Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against IVRCL Limited ("the Company") and appointed Mr. Sutanu Sinha to act as Interim Resolution Professional (IRP) with direction to initiate appropriate action contemplated with extent provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.

2. As per Regulation 33(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the standalone financial results of a Company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Compony who is duly authorized by the Board of Directors to sign the standalone financial results. In view of the ongoing Corporate Insolvency Resolution Process (CIRP), as power explained above to sign the standalone financial results have been suspended and these powers are now vested with Mr. Sutanu Sinha in his capacity as the IRP from February 23, 2018 as per the provisions of the Code. Further, pursuant to the order of NCLT, a public announcement about initiation of CIRP was made on March 03, 2018 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code and COC held their first meeting on March 29, 2018 and *inter alia* confirmed Interim Resolution Professional as Resolution professional (RP) for the Company.

3. We have reviewed the accompanying unaudited standalone financial results ("the Statement") of IVRCL Limited ("the Company") for the quarter and six months ended on September 30, 2018 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

4. This statement, which is the responsibility of the Company's management and approved by Resolution professional. The Statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review of such financial statements.

5. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement(s). A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

6. We refer to following notes to the accompanying Statement:

   a. Note 4(a) to the statement, in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein and expiry of timeline to complete the process of CDR/ SDR and substantially completed Corporate Insolvency Resolution Process period. During the quarter the Company has incurred a Net Loss of ₹ 44,187.83 lakhs resulting into accumulated losses of ₹ 4,96,253.21 lakhs and erosion of its Net worth as at September 30, 2018. The Company has obligations towards fund based borrowings aggregating to ₹ 8,48,025.87 lakhs and non-fund based exposure, operational creditors and statutory dues, subject to

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reconciliation/verification as stated in note 4(f) that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Corporate Insolvency Resolution Process (CIRP). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying the Statement.

b. Note 4(b) to the statement in respect of recognition of deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences aggregating to ₹ 95,705.88 lakhs. Based on unexecuted orders on hand, the Management of the Company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised. However, in our opinion, in absence of convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, such recognition is not in accordance with Indian Accounting Standard 12 "Income Taxes" (Ind AS 12). Had the aforesaid deferred tax assets not been recognised, loss after tax for the quarter ended on September 30, 2018 would have been higher by ₹ 95,705.88 lakhs and other equity would have been lower by ₹ 95,705.88 lakhs.

c. Note 4(c) in connection with the existence of material uncertainties over the reliability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount aggregating to ₹ 2,16,439.20 Lakhs included in financial and other assets which are past due/subject matters of various disputes /arbitration proceedings/ negotiations with the customers and contractors due to termination / foreclosure of contracts and other disputes. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such assets. Had the aforesaid assets been provided for impairment, loss after tax for the quarter ended on September 30, 2018 would have been higher by ₹ 2,16,439.20Lakhs, other equity would have been lower by ₹ 2,16,439.20 Lakhs.

d. Note 4(d) to the statement in respect of investment of ₹ 1,20,632.88 lakhs in subsidiaries engaged in BOT and other projects as at September 30, 2018, which are under disputes with the concessionaire, and other subsidiaries that have significant accumulated losses as at March 31, 2018. In absence of fair valuation of these Investments, we are unable to comment upon the carrying value of these investments and the consequential impact, if any, on the accompanying standalone financial results.

e. Note 4(e) to the statement in respect of loans and advances of ₹ 71,408.76 lakhs given to subsidiary Companies, associate, net receivable against development rights, various sub-contractors, vendors and other parties. These advances, having regard to financial position of such subsidiary companies and age of such advances, in our opinion, are doubtful of recovery. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such loans and advances. Had the aforesaid assets been provided for impairment, loss after tax for the quarter ended on September 30, 2018 would have been higher by ₹ 71,408.76 Lakhs, other equity would have been lower by ₹ 71,408.76 Lakhs.

f. Note 4(f) to the statement in respect of various claims, submitted by the financial creditors (including claims towards fund based and non-fund based exposure and claims on behalf of subsidiary companies and other parties) , operational creditors, workmen or employee and authorized representative of workmen and employees of the Company to Resolution Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement;

g. Note 4(g) of the statement in respect of non-availability of confirmations of bank balances aggregating to ₹ 248.43 Lakhs, trade receivables including retention, advances, trade payable as at March 31, 2018 and the status is still continued. In absence of alternative corroborative evidence, we unable to comment on the extent to which such balances are recoverable.



h. Note 4(h) of the statement in respect of non-availability of physical verification reports of fixed assets and inventories aggregating to ₹ 2,103.50 Lakhs as at March 31, 2018 and no provision for impairment has been made for the reasons stated therein and the status is still continued. In absence of any alternative corroborative evidence, we are unable to comment on the recoverability of the same.

i. Note 4(i) of the statement in respect of balances available with statutory authorities and input credits aggregating to ₹ 16,853.37 Lakhs as at September 30, 2018 that are subject to reconciliation, filing of return and admission by the respective statutory authorities and the status is still continued and no provision has been made thus, we are unable to comment whether any provision for impairment in the value of advances is required.

7. Based on our review conducted as stated above, except for the effects of the matters described under paragraph 6(b), 6(c) and (6(e) above and possible effects of the matters described under paragraph 6(a), 6(d), 6(f), 6(g), 6(h) and 6(i) nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results, prepared in accordance with applicable accounting standard i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 as amended including the manner in which it is to be disclosed, or that contains any material misstatement.

8. We draw attention to the following matters:

a. Note 5(a) of the statement in respect of notice received by the company U/s 276 (B) of the Income tax Act, 1961 and by certain banks and customers of the company U/s 226(3) of the Income Tax Act, 1961 regarding failure to deposit the tax deducted at source for the financial year 2016-17 and 2017-18 aggregating to ₹ 2,925.16 Lakhs.

b. Note 5(b) of the statement in respect of summon received by the company of levy of damages U/s 14 B of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 aggregating to ₹ 612.63 Lakhs for the period from 10/1999 to 02/2009 and 07/2009 to 03/2015 and the matter is presently sub-judice.

Our report is not qualified in respect of these matters.

For CHATURVEDI & CO.
Chartered Accountant
Firm Registration No. 302137E

PANKAJ CHATURVEDI
Partner
Membership No. 091239

Hyderabad
November 14, 2018

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